



State of New Jersey

PHILIP D. MURPHY
Governor

SHEILA Y. OLIVER
Lt. Governor

OFFICE OF THE STATE COMPTROLLER
MEDICAID FRAUD DIVISION
P.O. BOX 025
TRENTON, NJ 08625-0025
(609) 826-4700

KEVIN D. WALSH
Acting State Comptroller

JOSH LICHTBLAU
Director

September 29, 2020

BY ELECTRONIC MAIL

Stephanie Carter, Director
Bridges Day Treatment Program
1 Center St.
Ocean Township, NJ 07712

Re: Notice of Overpayment – Bridges Day Treatment Program

Dear Ms. Carter:

This letter serves to inform you that the Office of the State Comptroller, Medicaid Fraud Division (MFD) conducted a review of Medicaid claims for partial-care services submitted by Bridges Day Treatment Program (Bridges Day) under New Jersey local procedure code Z0170 (Partial-Care Per Hour) and Healthcare Common Procedure Coding System (HCPCS) code H0035 during the period September 1, 2015 through February 29, 2020. The objective of this review was to determine whether Bridges Day appropriately billed for services in accordance with *N.J.A.C. 10:66-1.4*. MFD found that Bridges Day violated *N.J.A.C. 10:66-1.4(c)* by submitting claims for units of service that were greater than the pre-approved number of authorized units. By seeking and receiving payment for units in excess of the prior authorized number of units, Bridges Day received an overpayment. MFD calculated the difference between the dollar value of the prior authorized number of units and the number of units that Bridges Day billed and was paid for, and considers this differential to be an overpayment. Applying this methodology, MFD determined that Bridges Day submitted claims for 3,750 units above the prior authorized limit, which totaled \$64,028.83 in Medicaid overpayments. (See Appendix A for a Summary of Prior Authorization Overpayment Report by recipient and Appendix B for a Prior Authorization Overpayment Claim Detail Report for a detailed claim breakdown by recipient.) These improperly billed claims constitute overpayments that Bridges Day must repay to the Medicaid program.

Stephanie Carter, Director
Bridges Day Treatment Program
September 29, 2020
Page 2

Partial-care prior authorization requests and approvals are required at least once every six months. According to *N.J.A.C. 10:66-1.4(c)*, “mental health and substance use disorder outpatient rehabilitative services, including individual psychotherapy, group therapy, family consultation, and family therapy, provided to each Medicaid or NJ FamilyCare fee-for-service beneficiary require prior authorization when payment to an independent clinic exceeds \$6,000 for that Medicaid or NJ FamilyCare fee-for-service beneficiary in any 12-month period The maximum period of authorization for partial care shall not exceed six months.” *N.J.A.C. 10:66-1.4(c)(6)* also states that “[i]f the request for prior authorization is approved, the Division’s fiscal agent shall notify the provider in writing regarding the Division’s decision; authorized date or time frame; and activation of the prior authorization number.” Further, pursuant to *N.J.A.C. 10:49-6.1* and *10:66-1.4(a)* and *(c)*, payment for services requires prior authorization except in emergencies. Accordingly, providers may not submit claims for units in excess of the prior authorized number of units.

Enclosed please find password protected files containing claims detail for those prior authorization numbers where Bridges Day improperly billed for units of service that were greater than the pre-approved number of authorized units for such services. To obtain the password, please contact [REDACTED], by electronic mail at [REDACTED].

PLEASE TAKE NOTICE: If, after reviewing MFD’s list of claims, you believe that Bridges Day billed the Medicaid program in accordance with state regulations, you may submit to MFD a written explanation with relevant supporting documentation within thirty (30) days of the date of this letter. Should you submit such a written explanation within this thirty (30) day period, MFD reserves the right to request additional records, conduct on-site visits, and/or perform any additional analysis necessary to conclude this review. Should you fail to respond in writing to MFD within this thirty (30) day period, MFD may take further appropriate action, including but not limited to: issuing a Notice of Claim, Certificate of Debt, Notice of Withholding, which would withhold a portion of your future claims payments, and any other remedy available to MFD by law.

If you agree with MFD’s conclusion, mail a Certified Check, Bank Check, or Attorney Trust Check in the amount of \$64,028.83 made payable to “Treasurer, State of New Jersey” to the address below. Please insert on the “memo line” of the check “[REDACTED]”.

Treasurer, State of New Jersey
Division of Revenue
200 Woolverton Street, Building 20
Lockbox 656
Trenton, New Jersey 08646
Attn: Processing Bureau

Stephanie Carter, Director
Bridges Day Treatment Program
September 29, 2020
Page 3

In addition, please forward a copy of your certified payment by email to [REDACTED] or by US Mail to the Office of the State Comptroller, Medicaid Fraud Division, P.O. Box 025, Trenton, New Jersey, 08625-0025, attention: [REDACTED]. Should you have any questions regarding this letter, please contact [REDACTED] by email at [REDACTED].

Sincerely,

KEVIN D. WALSH
ACTING STATE COMPTROLLER

By: /s/Michael M. Morgese
Michael M. Morgese
Audit Supervisor
Medicaid Fraud Division

Enclosures: Appendix A – Prior Authorization Overpayment Summary Report.
(password protected)
Appendix B – Prior Authorization Overpayment Claim Detail Report.
(password protected)

[These appendices were omitted to maintain confidentiality.]

c: Don Catinello, Supervising Regulatory Officer, MFD
Glenn Geib, Recovery Supervisor, MFD

MFD Audit Update – November 4, 2020

On November 4, 2020, MFD received a bank check dated October 22, 2020 from Bridges Day Treatment Program for the full amount due, \$64,028.83.